Fall in Exports

563. SHRI P. UPENDRA : Will the PRIME MINISTER be pleased to state :

(a) whether the Federation of Indian Chembers of Commerce and Industry has urged Government to draft an 'action plan' to boost exports to the General Currency Areas;

(b) whether there is a steep fall in exports in terms of dollars during 1991-92 and the first half of 1992-93; and

(c) if so, what steps Government are taking to reverse the trend ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) Yes, Sir.

(b) India's aggregate exports during 1991-92 registered a decline of 1.7% in dollar terms as compared to 1990-91. However, exports to the General Currency Area (GCA) countries registered an increase of 6.6 per cent. During April-September, 1992-93, India's aggregate exports registered an increase of 5.4% as compared to the corresponding period of 1991-92. During this period, India's exports to GCA countries increased by 12.1%.

(c) Several changes in trade policy were introduced since July 1991 aimed at strengthening export incentives, eliminating a substantial volume of import licensing and rationalising the import tariff structure. Rupee has been made partially convertible to encourage generation of foreign exchange. These have been further consolidated in the new Export-Import Policy, which, *inter-alia* aims to promote productivity, modernisation and competitiveness of Indian industry and thereby to enhance its export capabilities. The policy also seeks to promote efficient and internationally competitive import substitution and self-reliance under a de-regulated framework for foreign trade. A short-term Action Plan for ensuring the revival of the export momentum has been formulated. Besides, 34 commodities have been identified as 'extreme focus' sectors aimed at value increase of 30% every year in exports.

Production Target of FCV Tobacco

564. DR. YELAMANCHILI SIVAJI : Will the PRIME MINISTER be pleased to state :

(a) the target of production of FCV Tobacco for current year;

(b) the demand thereof; and

(c) the support price during the ensuing season ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) The target for 1992 crop is 124 M. Kgs. of which 103 M. Kgs. is for A.P. and 21 M. Kgs. for Karnataka.

(b) The total demand is estimated at around 138 M. Kgs. of which 70 M. Kgs. is for domestic consumption and about 68 M. Kgs. for exports both from A.P. and Karnataka crops.

(c) The Minimum Support Price for F2 grade of black soil tobacco is Rs. 16.00 per Kg., while that for L2 grade of light soils (NLS and Karnataka) is Rs. 17.50 per Kg.

Export of F.C.V. Tobacco to erstwhile U.S.S.R.

565. DR. YELAMANCHILI SIVAJI : Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that F.C.V. Tobacco could not be exported to the erstwhile U.S.S.R. as per trade protocol; and

(b) if so, the details thereof and what steps have been taken to overcome the same ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) and (b) The Russian importing organisation placed orders for 25,000 tonnes of tobacco in March 1992 against a Trade Plan Provision of 25,000 tonnes. To facilitate these exports, on the specific request of the Russians, Government of India extended a technical credit of US $ 25 million, against which 9,600 tonnes of tobacco were exported in August, 1992.

The balance quantity of 15,400 tonnes is yet to be shipped, awaiting opening of Letters of Credit by the Russian Importing Organisation. A trade delegation led by Chairman, Tobacco Board visited Moscow in October, 1992 and requested the Russian authorities to expedite opening of Letters of Credit.

Improvement in Trade Balance

566. SHRI RAMACHANDRAN PILLAI : *Will the PRIME MINISTER* be pleased to state :

(a) whether the policy of liberalisation has helped in improving trade balance of the country; and

(b) if so, the details thereof in terms of rupee and general currency areas ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) India's aggregate trade deficit during the financail year 1991-92 amounted to Rs. 3,835 crores or US $ 1,555 million, which was the lowest in a decade. However, the trade deficit amounted to Rs. 7,485 crores or US $ 2,622 million during the first six months of the current financial year, i.e., April-September, 1992. This is largely due to increase in imports during this period. The imports registered an increase of 51.4 per cent in Rupees terms and 22.3 per cent in dollar terms as compared to the corresponding period of the previous year. It may be worth mentioning that there was severe import compression during 1991-92 due to critical Balance of Payment situation.

(b) The details of trade deficit in the Rupee and General currency Area (GCA) countries in the period 1991-92 and April-August, 1992 the latest period for which the country break-up are readily available are given below :

(Value: Rs. crores)

	TRADE DEFICIT	
	1991-92	April-August, 1992.
G.C.A. . .	—6,231	—7,030
R.P.A. . .	+2,396	+453

Action Plan to achieve 30 per cent Export Growth

567. MISS SAROJ KHAPARDE : Will the PRIME MINISTER be pleased to state :

(a) whether Government have any comprehensive action plan to acheive 30 per cent export growth in dollar terms annually in 34 identified commodities, in the short term;

(b) if so, what are the details thereof; and

(c) by when the action plan is proposed to be implemented ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED) : (a) A plan to achieve 30 per cent export growth in dollar terms annually, in the medium term, in 34 identified commodities known as 'Extreme Focus Products' has been formulated by the Government.

(b) The plan consists of general and commodity specific action points relating to general macro economic policy, procedural simplifications, infrastructural improvements and institutional arrangements. Several points pertain to changes in tax policy and better terms for export credit. Some points relate to simplification of procedural and removal of procedural irritants, while other points pertain to creation of better infrastructural facilities and institutional framework.

(c) The plan is already being implemented and notifications are being issued as and when decisions are being arrived at.

Exemption of 100 per cent EOU from Central Sales Tax

568. SHRI S. MADHAVAN : Will the PRIME MINISTER be pleased to state :

(a) whether there is any proposal to exempt the hundred per cent import oriented units from payment of Central Sales Tax; and